INVITATION TO SUBMIT BIDS

FOR

e-Budgeting software application

Date of issue: Friday 7th April 2006

Public information meeting: Tuesday 18th April 2006

End of period for questions: Wednesday 3rd May 2006

End of tender period: Friday 12th May 2006

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1. INTRODUCTION

The USAID funded e-Gov Project is implemented by Internews Network and registered in Macedonia as *Internews Network Representative Office in Skopje, registration number 1343*. Further information about *the e-Gov project* can be found on the webpage www.e-gov.org.mk

The e-Gov project and the Ministry of Finance are designing and creating an e-Budgeting software application to be used for the preparation of the budget for the Republic of Macedonia. The application shall facilitate the preparation of the budget and will improve the dialogue between the Ministry and the budget users and funds. It will also improve the possibilities for analysis, planning and revision of the Budget.

The e-Gov project is hereby inviting bids regarding the development of the software for the application. The software shall follow the specifications in the **System Description**, which is an integral part of the tender documents. More features may be added later on to the application and the software must consequently be flexible enough to allow such modifications.

2. WHO MAY BID?

This tender is organized as a *Local Procurement of Professional Services*. Any software developing company registered as a legal entity in the Republic of Macedonia may submit bids. If the bidding company has a co-operation with a non Macedonian company at least 51% of the total cost must be related to labour cost for Macedonian citizens. The bidding company may be asked to demonstrate how the percentage of the cost has been calculated.

The software can not in any part originate from any of the countries with which the US is prohibited from contracting for supplies and services, as defined by USAID regulations (Cuba, Iran, Libya, North Korea, Sudan and Syria).

3. TENDER DOCUMENTS

The tender documents consist of this Invitation to Bid, the System Description, which defines the software specifications, and two forms; Registration Information Form and Reference List Form. The System Description and the two forms can be downloaded from *the e-Gov project's* website http://www.e-gov.org.mk by following the link in the home page or by typing directly into your browser:
http://www.e-gov.org.mk/tender-e-budget.htm

A draft contract to be signed by *the e-Gov project* and the duly selected software developer hereafter called *contractor* will be available on *the e-Gov project* webpage:
www.e-gov.org.mk

4. TASKS TO BE COVERED BY THE BID

The prime task for the contractor will be to design the software as specified in the *System Description* and which effectively can operate on the current ICT infrastructure mentioned in the *System Description* under **ICT INFRASTRUCTURE.**

The contractor will be requested to undertake maintenance of the developed software and a warranty as further specified in *9.7* and *9.8*. These obligations will be part of the contract to be signed between *the e-Gov project* and the contractor.

The contractor will furthermore be requested to organise training as specified in *9.9 Training*.

5. RIGHTS AND LIABILITIES OF *THE e-GOV PROJECT*

The e-Gov project retains the right to revoke the tender for any reason considered by *the e-Gov project* to necessitate a revocation. *The e-Gov project* is not obligated to publicly announce the reason for a possible revocation.

Regardless of the obligation on the bidder to submit price proposal for both the software development and the training, *the e-Gov project* retains the right to purchase only the software from the winner of the tender.

The e-Gov project undertakes no liabilities of any kind outside those specifically covered by the contract when duly signed by *the e-Gov project* and the contractor.

6. TIME TABLE

Tuesday 18th April 2006	Public information meeting for potential bidders
Wednesday 3rd May 2006	The last day for submitting questions regarding the tender.
Friday 12th May 2006, at 15.00 local time	Bids shall be received by e-Gov Project.
Friday 9th June 2006	The e-Gov project intends to select the contractor.
Tuesday 13th June	The contract should at the latest be signed.
Friday 14th July 2006	The SW developer will present a Demo Prototype of the application
Wednesday 20th September 2006	The first two modules to be completed and demonstrated to MoF and the e-Gov Project.
Friday 15th December 2006	The third module to be completed.

Monday 18th December 2006	i) The testing of the draft version of first three modules should begin with real data from the parallel process of preparation of the Budget for 2007. ii) First phase training will be conducted for execution of the testing.
Friday 2nd March 2007	Completion of the final version of application, including the fourth module.
Monday 5th March 2007	Testing of the final version of the e-Budgeting SW application; technical approval by the e-Gov Project and the MOF
Monday 23rd April 2007	Testing to be completed, followed by possible approval by the e-Gov project.
Thursday 3rd May 2007	Installation and the second phase training to begin.
Friday 1st June 2007	Fully-fledged operational system; delivery of source code and technical documentation.

The dates specifying specific delivery are the latest date accepted by the e-Gov project but earlier delivery is possible.

The dates specified are dates the Bidder must be prepared to meet. Bids based on later delivery dates will not be accepted.

7. TERMS AND CONDITIONS

7.1 Price and Currency
The requested price for the product and training shall be quoted in USD. The payment will be done by *the e-Gov project* in denar equivalent to the average exchange rate of the Central Bank on the day the payment is done. The price shall include VAT. All invoices shall specify the VAT.

7.2 Ownership of software licences
The e-Gov project shall receive the developed software without any restrictions regarding number of users or their identity.

The e-Gov project shall have the unrestricted right to use and to modify the source code and to pass on this right to the Ministry of Finance without any restrictions.

The contractor may not without specific consent from the e-Gov Project display its name on any website or any other product directly related to the application.

7.3 Costs
The bidder shall, irrespective of the result of this invitation, carry all costs for the preparation and submission of the bid.

7.4 Conditions for payment

The e-Gov project will pay 30% of the total contracted price, including both the development of the software and, when relevant, the training, on signing of the contract.

30% of the contracted price related to the software will be paid when the first two modules have been completed and demonstrated.

The remaining 40 % related to the software will be paid when *the e-Gov project* has decided that the software functions satisfactorily in its entirety and the source code has been delivered to *the e-Gov project.*

30% of the contracted remuneration for the possible training will be paid when the first phase training has been completed.

The remaining 40% of the contracted remuneration for the possible training will be paid after the completion of the second phase training.

All payments will include VAT.

The contractor will carry the cost of any bank fees related to the payments.

The contractor must provide an invoice before any payment can be made.

8. REQUIREMENTS REGARDING THE BIDDING

8.1 Submission of bids.

Bids shall be delivered to *the e-Gov project* on-line at the following e-mail address: **tender@e-gov.org.mk** and structured as specified in *9.1 Structure of the bidding document.*

Bids shall be received by *the e-Gov project* at the latest at **15.00 hours on Friday 12th May 2006.** If the bid is received thereafter but having been sent before the specified time, the electronically registered time regarding sending the bid is decisive.

The bidder may not add to or modify the bid thereafter. Bids may be changed within this deadline through submitting a new bid that entirely replaces the first one submitted. It is not permitted to replace only a part of the bid.

The e-Gov project will send a confirmation to the bidder specifying at what date and time the bid has been received, without at that time confirming that the bid also meets the formal requirements.

Bids that are received after the specified deadline or in any other way than as prescribed in this invitation will not be considered and the bidder will be informed accordingly.

8.2 Language

The bid shall be written in English.

Information regarding the interface language is specified in the **System Description**.

9. STRUCTURE AND CONTENT OF THE BID

9.1 Structure of the bidding document
The bid shall be submitted in **five (5) separate** files covering respectively;
1. Company registration information (9.2)
2. Information about competence and capacity (9.3)
3. List of references (9.4)
4. Information about proposed software, delivery time and training (9.5-9.9)
5. Requested remuneration (9.10)

9.2 Information about the Bidder
The bidder must provide relevant information about the bidding company by completing the Software Company Registration Information Form which can be downloaded as a separate Microsoft Word document named Registration_Information.doc, see *3. Tender Documents*.

The information regarding official registration and that the company is not under bankruptcy shall in the bid only be provided as a confirmation made by the bidder. No official documents shall be attached in any form at this stage. The selected Contractor will be requested to submit the formal and official proof before the contract will be signed, fully respecting the time specified for signing the contract in *6. Time Table*.

9.3 Competence and capacity
The bidder shall provide information about the number of developers the bidder intends to use on the development, including the level of competence of the individual developer related to the proposed platform. The information shall be specified in a time schedule, detailed enough to assess the number of man-hours expected for the work.

The bidder is also invited to inform about possible extra resources that can be used, if need be.

9.4 List of references
The bidder shall provide a list of reference containing three (3) separate and specified software products the company has developed, including contact information regarding persons within the entities that are using the products. It is preferable that at least one of the products is related to a financial management system.

The bidding company should provide this information by completing the Reference List Form that can be downloaded as a separate word document named Reference_List.doc.

9.5 Software Technical Description
As response to *the System Description*, which is part of the tender documentation, the bidder should include a technical description of the proposed software solution. A simple confirmation of the requested features in the functional description that is part of *the System Description*, given as guidelines for the bidders, will not be sufficient.

The technical description should enclose all relevant system functions and give insight to the application architecture, listing all prerequisites regarding hardware and software if any. Intended software platform, specific program tool, Data Base if needed and any other technologies essential for the development of the solution should be stated in this part.

Full description by modules/layers should follow, supported by diagrams/charts if available. Security issues and access rights respectively, being important integral parts of the software, should be explained separately. Communication with external systems, adoptability and portability are also issues to be addressed in this part of the proposal.

Technical description of the proposed software should be as detailed and comprehensible as possible to assist the evaluation of the bid.

9.6 Delivery time
The bidder must confirm that the software can be delivered and the training conducted in accordance with the specified timetable.

9.7 Warranty obligations:
The bidder shall confirm that the company will undertake warranty obligations if selected as the contractor. The warranty shall cover the validity and functionality of the product and that it has no defects arising from design, materials or workmanship.

The warranty shall remain valid for two years after final acceptance by *the e-Gov project* of the software. The warranty will be an integrated part of the contract to be signed by *the e-Gov project* and the contractor.

9.8 Upgrade and maintenance:
The bidder must confirm that the company will undertake, as a contractor, the obligation to maintain the product during a period corresponding to the warranty at no additional cost. Maintenance is understood to mean keeping the system functional at the level it had when initially developed and accepted by *the e-Gov project*.

The contractor will be responsible for making good any defect in or damage to any part of the product which may appear or occur during the warranty period and which results from faulty workmanship or development of the software, or any act or omission of the developer.

The contractor will be committed to, at its own cost, urgently make good the defect or damage.

In emergencies, where the contractor cannot be reached immediately or, having been reached, is unable to take the measures required, *the e-Gov project* will have the right to carry out the work at the expense of the contractor.

Malfunctioning depending on human errors by the users or technical faults in hardware is not expected to be repaired by the contractor as part of the maintenance.

The contractor shall be prepared to upgrade the developed product on request by *the e-Gov project*. The contractor will be separately remunerated for such additional work.

The work to be done will be assessed in percentage of the work to develop the software. The remuneration will then be calculated as the same percentage of the total contracted price for the software.

If no agreement can be reached between *the e-Gov project* and the contractor, *the e-Gov project* retains the right to use any other software developer for any upgrades or other modifications.

9.9 Training

The bidder must confirm its capacity to organise training as specified below. The bidder shall also inform about its experience of organising related training.

First phase:
When the first three modules are created and tested, the contractor should train:

- 2 system administrators and 20 budget analysts on these three modules
- 3 pilot budget users/funds on how to use the second Module II: Preparation of budget requests

The training shall be coordinated with the testing scheduled for December 2006.

All of these persons shall be trained in such a way that they later can train others.

Second phase:
When the final version of the software has been approved, training shall be provided for:

- 2 system administrators from the MOF on the complete system

- 20 budget analysts on Module IV: Simulations

If requested, the bidder shall be responsible for providing premises to conduct the training as well as the necessary equipment (computers, boards, etc.).

The bidder shall also propose a time table for the training, based on the proposed delivery of the software. The bidder must however be prepared to modify the proposed timetable in accordance with relevant considerations by the users of the system.

9.10 Requested remuneration

The bidder must separately specify the requested remuneration for the development of the software and the training respectively. The bidder must also specify the extra price, if relevant, if requested to provide premises for the training and equipment.

The requested remuneration shall be stated including VAT.

10. METHOD OF EVALUATING THE BIDS

10.1 General information
Bidders will be evaluated on basis of the information that has been submitted by the expiry of the tender period. It is not possible for the bidder to supplement the bid after the expiry of the tender period on its own initiative. However, *the e-Gov project* may request clarifications from the bidder at any stage.

In selecting the contractor *the e-Gov project* will, within the USAID procurement rules, take into consideration the bidder that receives the highest total number of points as calculated according to *10.3 The second phase* but retains the right to base the decision on other considerations as well if deemed necessary by *the e-Gov project* in order to fulfil the tasks and obligations of *the e-Gov project*. The bidder must accept that *the e-Gov project* might not provide information about such other considerations used in the evaluation.

The e-Gov project retains the right not to select any contractor.

The decision by *the e-Gov project* regarding the selection can not be contested.

The examination of the bids properly submitted will take place in two phases.

10.2 The first phase
In the first phase *the e-Gov project* will examine if the bidder meets the specified criteria, including country of registration and that all requested information has been duly submitted as prescribed in *9.1 Structure of the bidding document.*

The bidder's technical competence, experiance and capacity to develop the software will be examined. In this context it will be assessed if the bidder has devoted enough competence and capacity to develop the software to the expected quality within the specified time period.

The e-Gov project will check that the training planned by the bidder meets the specified requirements.

All bidders that meet the specified criteria and requirements will continue to the second phase. No ranking between the bidders will take place within the first phase.

10.3 The second phase
During the second phase the bidders will be evaluated and ranked.

The e-Gov project will assess;
- The quality of the bid with regard to clarity and quality of the information provided. Points will be given; 1 for acceptable, 3 for medium and 6 points for high quality.
- The quality of the proposed technical description of the software solution. Points will be given; 1 for acceptable, 6 for medium and 12 for high quality.
- The quality of the proposed training. 1 for acceptable, 4 for medium and 8 points for high quality.

For the above mentioned criteria, the point given can also be in between the three mentioned steps, if deemed relevant with regard to the assessed quality.

- The requested remuneration. Although the requested remuneration for developing the software and for the training shall be specified separately, *the e-Gov project* will use the combined requested remuneration for the evaluation. 6 points will be given to the lowest requested price followed by a continued decreasing scale down to a minimum of zero points, reflecting the percentage of increase in price, where for every 10% in increase 1 point will be deducted. The increase will be rounded to the nearest 10% figure. As an example; if the second cheapest bid is 17 % more expensive than the cheapest bid 4 points will be given to that bidder.

If the requested price is regarded by the evaluation team to be excessive in relation to the work to be done by the contractor, that bid will not be further taken into consideration.

11. ENQUIRIES AND INFORMATION

Potential bidders will be invited to an open meeting on Tuesday 18th April 2006 for clarification of possible questions related to the tender. The meeting will take place in the premises of *the e-Gov project*, Dane Krapcev 18, Skopje.

The e-Gov project will also accept enquiries concerning this invitation and its proceedings that have been submitted through an e-mail to info@e-gov.org.mk. Responses will be submitted as a reply e-mail. All enquiries thus received will subsequently be published together with all responses on *the e-Gov project's* homepage http://www.e-gov.org.mk. Bidders are therefore advised to continuously read the information that *the e-Gov project* may provide by publication on the webpage. The webpage is normally up-dated with new questions and answers twice per week. *The e-Gov project* is not committed to publish questions in extenso but may rephrase the text.

Enquiries will only be accepted and answered as prescribed here.

Enquiries received after Wednesday 3rd May 2006 will not be considered and thus not published either.

The e-Gov project will not at any stage provide any information about the content of the bids. That information, in its entirety, will be regarded by *the e-Gov project* as commercial information belonging to the respected bidder, which may at its own discretion provide the information but has no obligation to do so.

12. PENALTIES

The contract to be signed by *the e-Gov project* and the contractor will contain penalty clauses that will come into effect if the contractor doesn't meet its contracted obligations. The contract will reflect the undertakings specified in this Invitation to Bid.

13. DISPUTE SETTLEMENT

Possible disputes between *the e-Gov project* and the contractor shall be settled through arbitration within the Economic Chamber of the Republic of Macedonia. Macedonian national laws and regulations will be applicable.